



**MINUTES  
CITY COUNCIL WORK SESSION  
July 19, 2022**

**CALL TO ORDER**

The meeting was called to order at 5:00 pm.

**Present:** Mayor: Charlie Miner; Council: Deirdre Kvale, Mike Feldmann, Jahn Dyvik, and Gina Joyce

**Staff Present:** City Administrator: Scott Weske; and Fire Chief: James Van Eyll

**Absent:** None

**APPROVE AGENDA**

*A motion was made by Dyvik, seconded by Miner, to approve the agenda as presented. Ayes: all.*

**OPEN CORRESPONDENCE**

No one was in attendance to address the City Council during Open Correspondence.

**BUSINESS ITEMS**

**Discuss and Review Proposed Rates for Monthly Utility Billing**

City Administrator Weske explained that staff has looked into the possibility of switching to monthly billing versus the current quarterly billing and believes that monthly billing could be implemented in-house. Staff is also working to try and bring rates to a point where utility funds are self-supporting. Weske reviewed some of the considerations impacting rates including operations expenses and Metropolitan Council treatment costs. He gave examples of proposed rate schedules and monthly billing estimates, highlighted other considerations to keep in mind with monthly billing, and reviewed some of the potential benefits of making the change.

Council member Joyce questioned whether there would be a different way to approach a proposed increase; for example, in areas of the City that are lower income, could their rates be approached differently under a scenario such as a phased roll out, or if it was all or nothing for the monthly utility billing.

Weske clarified that the utility billing cycle must be all-user based in its regularity, and he is proposing a change to monthly versus quarterly because the rates do need to be increased.

Council member Dyvik recalled that in the past the City had talked about increasing rates at incremental steps to get to a more self-sustaining level, so the 'hurt' is spread out a bit over a term.

The Council discussed the current status of the utility funds; funds operating at a loss; various ways to increase rates without it being too painful for residents; whether a rate increase meant the levy could be lowered; the difference in Fund 602 and Fund 605; efficiencies of monthly billing; 'chasing' the Metropolitan Council fee; metering for Orono services connected to Long Lake's system; a possible automatic stepped up fee increase; and finding ways to balance the need to increase rates with the City's need to balance utility fund operations.

Weske indicated that he would pull additional financial information that the Council was interested in seeing, such as data on gallons sold versus pumped, Fund 602 versus Fund 605, and line items in greater detail for discussion at a future meeting. He stated that if the Council wants to make changes by 2023, they will need to keep working on the utility rates issue.

### **Updates and Discussion Regarding Fire Department Matters**

Mayor Miner reported that he and Council member Dyvik have met twice with Orono Council members Seals and Johnson since the Council's last meeting, and he felt the discussions have gone well. He commented that there has been talk about the possibility of some sort of middle ground compromise with implementation of something like a Joint Powers Agreement concept. He reflected that overall, he would say communications have been more positive with the current Orono representatives than they had been in the past with their last representative.

Council member Dyvik mentioned that one of the things that had been brought up at their first meeting was what would happen if Orono would give their Summit Beach Park to the City. He shared some of the conversations that took place at the meeting regarding the City's distrust of Orono's current Mayor; and discussing the creation of something similar to the Excelsior Fire District with some sort of Fire Council that would be made up of Council members from the different member cities. The thought was that one City would not control the staffing under that approach. He noted that recently a former Orono Mayor had spoken during Orono's Open Correspondence portion of their meeting and offered to help with negotiations between the two cities. He observed that he doesn't necessarily think it is a bad idea to have input from former Mayors because they may have insight into this process and may offer comments from a broader perspective.

Fire Chief Van Eyll provided a brief description of how the Excelsior Fire District operates.

Council member Dyvik indicated he believes that Orono may be feeling like they may want to compromise and meet on middle ground more than they had originally thought they would. He stated that he and Mayor Miner are supposed to meet with the Orono representatives again during the coming weekend.

Mayor Miner reflected that he felt they had some good discussions initially and he is hopeful that there will be more to come.

### **Closed Session Pursuant to Minn. Stat. 13D.05, Subd. 3 (c)(3): Develop or Consider Offers/Counteroffers for the Purchase or Sale of Real Property Located at 340 Willow Drive N and Other Fire Department Property**

The City Council held all Fire Department discussion in open session and no closed session took place.

### **OTHER BUSINESS**

No other business was discussed.

### **ADJOURN**

*Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:25 pm.*

Respectfully submitted,

Scott Weske  
City Administrator